

The Retailers' Occupation Tax Act provides an exemption for tangible personal property sold to interstate carriers for hire for use as rolling stock moving in interstate commerce or to lessors of such interstate carriers. See 35 ILCS 120/2-5(12) and (13) (1996 State Bar Edition). (This is a GIL).

September 27, 1999

Dear Ms. Xxxxx:

This letter is in response to your letter dated August 25, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Kindly be advised the above mention Company has notified COMPANY and DEMANDING a refund back to them on taxes that were paid on three limousine purchased in October 1996. At that time they did not received their ICC LICENSE until July of 1997.

I spoke to serveral people at the Revenue Service, and told me to submit ST556X form on each vehicle, I did.

Today, I received a NOTICE OF TENTATIVE DENIAL OF CLAIM, on all three vehicles. I called the Revenue Service and spoke to PERSON, he told me that the time period has run out from the time of purchase to the time of receiving the ICC LICENSE.

PERSON told me, I should contact the Legal Department. If this is correct on what he told me regarding the time period. I need written verification to that fact, because BUSINESS has gotten their lawyers involved.

PLEASE HELP ME!!!!!! Please send me something to this fact.

If you have questions (and I'm sure you do), please do not hesitate in contacting me.

The Retailers' Occupation Tax Act provides an exemption for tangible personal property sold to interstate carriers for hire for use as rolling stock moving in interstate commerce or to lessors of such interstate carriers. See 35 ILCS 120/2-5(12) and (13) (1996 State Bar Edition). The Use Tax Act provides for the same exemption. See 35 ILCS 105/3-55 (1996 State Bar Edition). The exemption is described in the enclosed copy of 86 Ill. Adm. Code 130.340.

The carrier must move in interstate commerce on a regular and frequent basis in order to qualify for the exemption. Purchasers must be recognized by the appropriate federal or state regulatory agency as interstate carriers for hire and have received a Certificate of Authority to engage in interstate commerce. Please note that it is not the type of item that determines whether or not it qualifies as rolling stock, but rather how a qualifying interstate carrier uses the item. In addition to receiving the proper Certificate of Authority, purchasers should be aware that only those items used specifically as rolling stock would qualify.

When making a purchase of qualifying property, the purchasers must provide the sellers with a certification that they are interstate carriers for hire and that they are purchasing the property for use as rolling stock moving in interstate commerce. If the purchasers are lessors, the purchasers must give the sellers a certification to that effect identifying the lessee interstate carriers for hire. Form RUT-7, Rolling Stock Affidavit, which is signed by the purchasers, is used to provide the required certification in order to execute the statutory exemption.

If a carrier cannot meet the above requirements, it cannot claim the rolling stock exemption. If the purchaser did not have a Certificate of Authority at the time the vehicles were purchased, the vehicles could not be purchased tax exempt under the rolling stock exemption.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.